



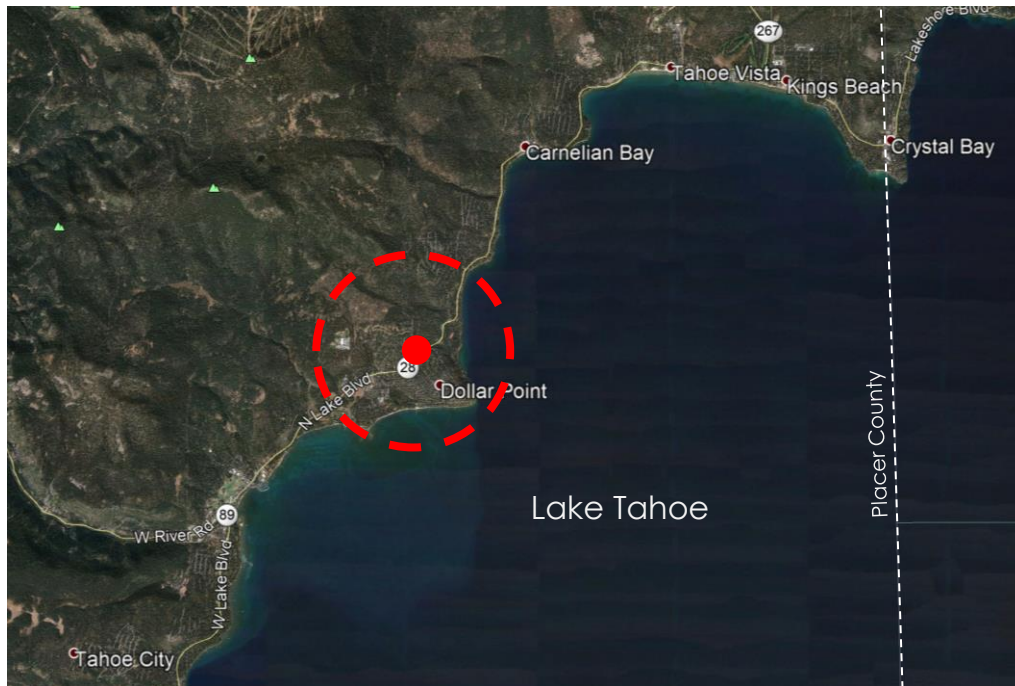
DOLLAR CREEK CROSSING HOUSING PROJECT UPDATE

March 30, 2021

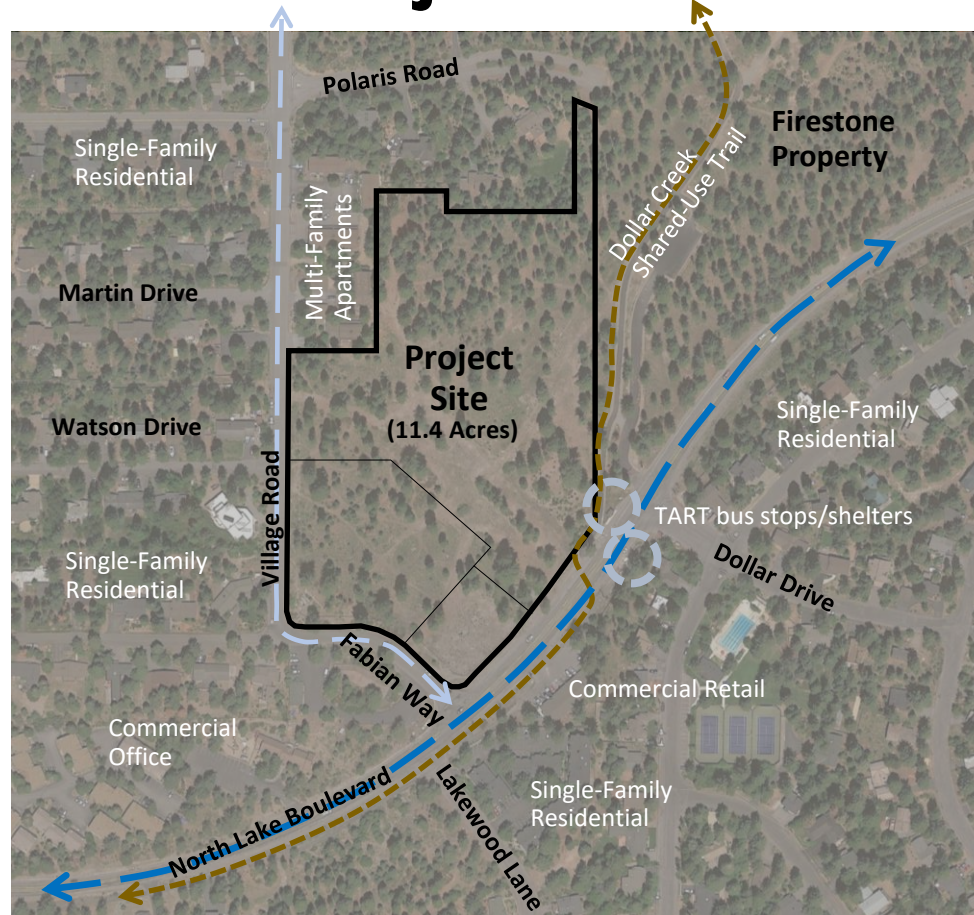
Action Requested Today

Receive an update on the progress of the Dollar Creek Crossing Housing Project.

Provide direction and feedback on proposed next steps.



Project Site



Project Timeline

- 2018** ➤ Request for Proposals for residential development partner
 - Related Companies of California and Pacific Housing (Related-Pacific)
- 2019** ➤ Exclusive Right to Negotiate a Developer Agreement
 - County acquires 11.4-acre Nahas Company property
 - Preliminary project planning
 - Site planning
 - Community outreach
 - Additional planning studies identified
- 2020** ➤ County as project lead, contracted for:
 - Five areas of study, including current residential market analysis
- 2021** ➤ Planning Study progress, ready for environmental review

Additional Planning Studies

Current Data and Expanded Project Review

- **New Economics & Advisory (NEA)** - Financial Feasibility and Demand Analysis for the Truckee/North Tahoe region to determine the best mix of workforce/achievable housing products at the site.
- **Williams + Paddon Architects + Planners (W+P)** - site analysis to study the interrelationships of physical site characteristics, surrounding neighborhood context, and provide updated site plan sketches with potential residential and commercial use types.
- **LSC Transportation Consultants** - transportation analysis to review specific site access concepts and circulation.
- **Adrienne Graham** - fire risk study to analyze areas of project planning and design for fire safety.
- **Mapca Surveys** - civil site surveying for mapping accurate boundary, topography, vegetation, and other existing site features.

Financial Feasibility and Demand Analysis

Scope and Tasks

- Task 1:** Analyze historic/existing residential market trends and establish initial financial feasibility parameters.
- Task 2:** Identify & perform market overviews on potential land use types and summarize key takeaways.
- Task 3:** Conduct Pro Forma analysis of selected land use types from Task 2.
- Task 4:** Prepare market study for TCAC Low Income Housing Tax Credits application.

NEW ECONOMICS & ADVISORY®

LAND USE ANALYSIS & STRATEGIES

Financial Feasibility and Demand Analysis

Task 1 Key Findings

1. A large portion of existing housing in the Truckee/North Tahoe region are for seasonal or occasional use only.
2. Most of the housing stock in the Truckee/North Tahoe region was built before 2000.
3. Housing prices in the Market Area continue to be extremely high.
4. There is a shortage of for-sale housing made affordable to households earning between 120 and 220 percent of Area Median Income.

Financial Feasibility and Demand Analysis

Task 1 Key Findings (continued)

5. Other studies have shown that employee households with children are underrepresented and that new employees and more senior employees struggle to find housing.
6. The Market Area for this Project will be the Tahoe Truckee Airport District boundaries.
7. The Project site can compete well for state/federal funding for traditional affordable housing: (ex: "Highest Resource Area" are favorable for tax credits).
8. There are few, if any, state/federal subsidy options for housing that serves households earning more than 120% of AMI.

Financial Feasibility and Demand Analysis

Task 2 Approach

The Project Team identified four residential land use types tied to household income levels and one non-residential land use type for demand study:

- Type #1: Affordable Rental Housing (30-80% of AMI)
- Type #2: Rental Housing (80-120% of AMI)
- Type #3: Achievable Ownership Housing (120-220% of AMI)
- Type #4: Cohousing
- Type #5: Commercial/Services/Recreation

Financial Feasibility and Demand Analysis

Type #1: Affordable Rental Housing (30-80% of AMI)

- All existing affordable housing units in the Truckee/North Tahoe region are fully occupied and experience long waiting lists.
- Units would be competitive for public subsidy.
- Demand continues to be very high.
- Would likely be funded by public subsidy
 - Tax credits and/or IIG and HOME
 - TRPA requires residential units of use, some of which may be available for this product type

Financial Feasibility and Demand Analysis

Type #2: Rental Housing (80-120% of AMI)

- Market rate rents are generally affordable to households earning 80-120% of AMI. Therefore, units can potentially be built as market-rate or income-restricted units.
- All existing units within this income range are fully occupied and experience long waiting lists.
- Demand continues to be very high.
- Funding for income-restricted units could come from public subsidy such as grant programs (MIP, QRRP).
- TRPA requires residential units of use, some of which may be available for this product type.

Financial Feasibility and Demand Analysis

Type #3: Achievable Ownership Housing (120-220% of AMI)

- Very few new, attached, for-sale units priced at less than \$850,000 have been added to the market in recent years.
- New attached, for-sale units for households earning 120-180% of AMI will likely require public subsidy because of relatively high development costs.
- Units for households earning 180-220% of AMI may not require subsidy.
- Public subsidy programs for this land use type typically require deed restrictions, which may impact market value and/or demand.
- Demand is very high.

Financial Feasibility and Demand Analysis

Type #3 (cont.): Achievable Ownership Housing (120-220% of AMI)

- Public subsidy potential:
 - Participation in Workforce Housing Preservation Program, requires deed restrictions
 - Income-restricted units, with TRPA deed restriction, may be available

Type #4: Cohousing

- Due to unique financing, not analyzed at this time

Type #5: Commercial/Services

- Existing commercial spaces in the Tahoe Basin experience high occupancy rates
 - Vacancies are due to condition of older building stock and seasonal fluctuation of housing units

Financial Feasibility and Demand Analysis

Land Use Type Recommendations



- **Affordable Rental Housing (30-80% of AMI):** 2 and 3-BR units are in highest demand, but studio and 1-BR units are also viable options.



- **Rental Housing (80-120% of AMI):** Income restricted studio and/or 1-BR OR market rate studio, 1, 2, and 3-BR units.



- **Achievable Ownership Housing (120-220% of AMI):** 3-BR units are the most active in the market. Also, new 2-BR for-sale units are not currently being built in the market, so this can also be a potential product.



- **Commercial/Services:** Retail (incl. coffee and/or small grocery), Office (executive suites) or Services.

Financial Feasibility and Demand Analysis

Next Steps

- Project Team developing land use scenarios
- Task 3: Conduct Pro Forma analysis of land use scenarios that include product types from Task 2.
 - Consider unique cost obligations within TRPA boundaries.
 - Determine how to allocate existing credits for Units of Use.
- Task 4: Prepare market study for TCAC Low Income Housing Tax Credits application.

Current Project Study Findings

Targeted Residential Land Use Types:

Narrowed focus for site and feasibility study

- Achievable ownership housing
- Market rate rental housing
- Affordable rental housing

For Sale Homes and Rental Unit Balance:

- Identified demand for both achievable ownership and rental housing
- Potential greater number of achievable ownership housing units

Site Density Approach:

Residential density allowed by the Placer County Tahoe Area Basin Plan without a potential TRPA density bonus: 15 dwelling units per acre.

- This equates to a maximum potential total of 171 residential units (11.4 acres x 15 dwelling units/acre) which is less than what was previously identified: a range of 174-204 total residential units.

Current Project Study Findings

Commercial/Service Land Use Types:

- Feasibility study includes analysis of potential local serving/small-scale commercial retail, office, and services.
- Study identifies a demand for newer, contemporary facilities that would accommodate these types of uses.

Transportation and Circulation:

- A second vehicular access point is required based on newly enacted State fire code requirements.
- Continue to pursue measures to address access and circulation based on Tahoe Basin Area Plan standards.
- Consider opportunities associated with microtransit implementation and other multi-modal strategies.

Recreation Uses Adjacent to the Site:

- Connectivity to Dollar Creek Trail and any potential future community/recreation uses at the neighboring Firestone property
- Coordination with the North Tahoe Public Utility District and Tahoe City Public Utility District is underway.

Next Steps

Initiate Environmental Impact Report (EIR) Process:

With your Board's concurrence:

- Initiate environmental review process to study a mixed-use, for sale and rental residential, and small-scale commercial project.
 - Develop greater project specifics in the coming weeks and ahead of a public scoping meeting at the onset of the EIR.
 - Prepare updated site plan with final range of land uses based on project studies, community engagement and feedback from your Board.
- Staff will work with Procurement Services on a Request for Proposal process to identify a recommended Environmental Consulting Services consultant.
- Funding for estimated cost of Environmental Consulting Services (\$375,000) is available from State of California Housing and Community Development (HCD) Permanent Local Housing Allocation (PLHA) grant funds allocated to CDRA.

Next Steps

Finalize Studies:

- NEA will perform the final feasibility tasks and develop proformas
- W+P will prepare site planning concepts depicting the potential land use mix and site access scenarios

Community Outreach:

- County staff will coordinate opportunities to engage the community, including virtual meetings, newsletter updates and website information

Project Site Planning Approach:

- Staff will return to your Board for direction related to the potential development types, targeted residential count range by use, funding sources and strategies



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